

18 JAN 1980

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: Harry E. Fitzwater
Director of Personnel Policy, Planning,
and Management

SUBJECT: Visit to Westinghouse Electric Corporation
Headquarters on 16 January 1980

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1. In accordance with the ground work you laid with Mr. Kirby, I visited Westinghouse corporate headquarters on 16 January, accompanied by [redacted] Chief of our SIS Support Staff. [redacted] had been scheduled to go but had to cancel due to the press of other business.) We were very cordially received and spent several interesting and hopefully productive hours with Mr. N. V. Petrou, Vice President for Human Resources, and his Director of Key Personnel Services, Mr. W. C. Swinghamer (whose position is similar to our SIS Support Staff Chief). Our initial findings are summarized in the following paragraphs. We have also attached certain exemplars of Westinghouse's system.

2. Scope: As you noted after your visit, Westinghouse runs a comprehensive succession planning, selection and executive development system for its 1,100 key personnel positions. Westinghouse has approximately 140,000 employees, of whom 19,000 are supervisors. Some 3,000 of these are designated by name in corporation succession planning exercises.

3. Succession Planning: Succession planning is done on an integrated, chain-of-command basis. Supervisors of officers at the bottom of the 1,100 key position pyramid annually make up charts (Tabs A and B) designating three replacement candidates for each position. These charts are reviewed at successively higher levels all the way to Mr. Kirby. The Human Relations Vice President and Key

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Personnel Services Director participate in all of these review sessions, but the final succession plans are those of the line executives (and ultimately, of the corporation chairman). This building block approach to succession planning, which involves managers several echelons down in identifying potential candidates for future progression, seems to be compatible with our PDP process, and would also assist in planning for the development of these candidates.

4. Rotational Assignments: Succession planning tables in the review process take into account rotational assignments across division and group lines, although no quotas are set. While the absence of a rotational assignment is not an impediment to advancement, a 1979 profile (Tab C) of the approximately 150 general managers showed that 50 percent had served at least one assignment at Westinghouse's Pittsburgh headquarters, and 55 percent had handled "multi-function" responsibilities (e.g., marketing and engineering, or engineering and manufacturing, etc.).

5. Individual Evaluation: All 19,000 management employees, in conjunction with their supervisors, prepare a work sheet (Tab D) (remarkably similar to our Annual Work Plan) which sets individual work objectives. Each later receives an end-of-year evaluation (Tab E), in narrative form, on how well the employee met these objectives. The major differences from our system are:

a. No numerical or adjective rating is given, and

b. A separate "Estimate of Promotability" report (Tab F) is prepared on each of the 19,000 supervisors, with numerical ratings which facilitate comparative evaluation and replacement planning (Tab G). This document is used only by management and is not shown to the individual.

6. Executive Selection/Promotion: When a vacancy in one of the 1,100 key positions occurs, the succession planning and promotability information provides the data base on which management selects replacements. This data, augmented by information on other appropriate candidates

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from elsewhere in the corporation, is considered by line management who then present their recommendations to top management for a decision. The Corporation Management Committee (consisting of Mr. Kirby, the five company presidents and several other key staff executives including the Human Resources Vice President and his Key Personnel Services Director as advisors) make the final selection for the approximately 200 top jobs (down to the general manager level). Last year the Management Committee filled 41 jobs.

7. Executive Forum: Westinghouse periodically runs a three-week Executive Forum (somewhat comparable to our Senior Seminar) with 28 attendees in each group. These include a few general managers and several senior specialists. Most already occupy jobs within the 1,100 key position category and are candidates for the 150 general manager positions. It was emphasized that attendance does not ensure promotion, but attendees get a three-week in-depth exchange with top corporate officers on the full range of Westinghouse activities. In addition to the Forum, Westinghouse offers a wide variety of internal career development courses as well as sponsoring participation at university advanced management courses. (We will forward information we brought back on this subject to the Director of Training.)

8. The meetings were very interesting and enlightening, and we plan to incorporate some of the ideas into our planning for senior officer development in CIA. I would be glad to provide additional details on any aspects of Westinghouse's system if you so desire.

/s/
Harry E. Fitzwater

Attachments:

Westinghouse Notebook w/ Tabs A-G

Distribution:

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